

# **LAWS OF MISSOURI**

**Passed during the  
First Extraordinary Session**

**of the**

**NINETY-FIFTH  
GENERAL ASSEMBLY**

**2010**

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## HB 1 [CCS SCS HCS HB 1]

**EXPLANATION** — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in bold-face type in the above bill is proposed language.

**Changes the laws regarding public retirement systems**

AN ACT to amend chapters 104 and 476, RSMo, by adding thereto three new sections relating to retirement.

**SECTION**

- A. Enacting clause.
- 104.1091. Normal retirement eligibility for certain state employees hired beginning January 1, 2011 — early retirement annuities — member contributions, rate — retiree's life annuity, options — applicability.
- 476.521. Eligibility requirements for persons first becoming a judge beginning January 1, 2011 — contributions, rate, contributions by state — change in contribution rate, when — ineligible for other state retirement compensation, when.
- 476.529. Alternate computation of retirement compensation — options, beneficiary designation

*Be it enacted by the General Assembly of the state of Missouri, as follows:*

**SECTION A. ENACTING CLAUSE.** — Chapters 104 and 476, RSMo, are amended by adding thereto three new sections, to be known as sections 104.1091, 476.521, and 476.529, to read as follows:

**104.1091. NORMAL RETIREMENT ELIGIBILITY FOR CERTAIN STATE EMPLOYEES HIRED BEGINNING JANUARY 1, 2011 — EARLY RETIREMENT ANNUITIES — MEMBER CONTRIBUTIONS, RATE — RETIREE'S LIFE ANNUITY, OPTIONS — APPLICABILITY. — 1.** Notwithstanding any provision of the year 2000 plan to the contrary, each person who first becomes an employee on or after January 1, 2011, shall be a member of the year 2000 plan subject to the provisions of this section.

**2.** A member's normal retirement eligibility shall be as follows:

**(1)** The member's attainment of at least age sixty-seven and the completion of at least ten years of credited service; or the member's attainment of at least age fifty-five with the sum of the member's age and credited service equaling at least ninety; or, in the case of a member who is serving as a uniformed member of the highway patrol and subject to the mandatory retirement provisions of section 104.081, such member's attainment of at least age sixty or, the attainment of at least age fifty-five with ten years of credited service;

**(2)** For members of the general assembly, the member's attainment of at least age sixty-two and the completion of at least three full biennial assemblies; or the member's attainment of at least age fifty-five with the sum of the member's age and credited service equaling at least ninety;

**(3)** For statewide elected officials, the official's attainment of at least age sixty-two and the completion of at least four years of credited service; or the official's attainment of at least age fifty-five with the sum of the official's age and credited service equaling at least ninety.

**3.** A vested former member's normal retirement eligibility shall be based on the attainment of at least age sixty-seven and the completion of at least ten years of credited service.

**4.** A temporary annuity paid pursuant to subsection 4 of section 104.1024 shall be payable if the member has attained at least age fifty-five with the sum of the member's age and credited service equaling at least ninety; or in the case of a member who is serving as a uniformed member of the highway patrol and subject to the mandatory retirement provisions of section 104.081, the temporary annuity shall be payable if the

member has attained at least age sixty, or at least age fifty-five with ten years of credited service.

5. A member, other than a member who is serving as a uniformed member of the highway patrol and subject to the mandatory retirement provisions of section 104.081, shall be eligible for an early retirement annuity upon the attainment of at least age sixty-two and the completion of at least ten years of credited service. A vested former member shall not be eligible for early retirement.

6. The provisions of subsection 6 of section 104.1021 and section 104.344 as applied pursuant to subsection 7 of section 104.1021 and section 104.1090 shall not apply to members covered by this section.

7. The minimum credited service requirements of five years contained in sections 104.1018, 104.1030, 104.1036, and 104.1051 shall be ten years for members covered by this section. The normal and early retirement eligibility requirements in this section shall apply for purposes of administering section 104.1087.

8. A member shall be required to contribute four percent of the member's pay to the retirement system, which shall stand to the member's credit in his or her individual account with the system, together with investment credits thereon, for purposes of funding retirement benefits payable under the year 2000 plan, subject to the following provisions:

(1) The state of Missouri employer, pursuant to the provisions of 26 U.S.C. section 414(h)(2), shall pick up and pay the contributions that would otherwise be payable by the member under this section. The contributions so picked up shall be treated as employer contributions for purposes of determining the member's pay that is includable in the member's gross income for federal income tax purposes;

(2) Member contributions picked up by the employer shall be paid from the same source of funds used for the payment of pay to a member. A deduction shall be made from each member's pay equal to the amount of the member's contributions picked up by the employer. This deduction, however, shall not reduce the member's pay for purposes of computing benefits under the retirement system pursuant to this chapter;

(3) Member contributions so picked up shall be credited to a separate account within the member's individual account so that the amounts contributed pursuant to this section may be distinguished from the amounts contributed on an after-tax basis;

(4) The contributions, although designated as employee contributions, shall be paid by the employer in lieu of the contributions by the member. The member shall not have the option of choosing to receive the contributed amounts directly instead of having them paid by the employer to the retirement system;

(5) Interest shall be credited annually on June 30 based on the value in the account as of July 1 of the immediately preceding year at a rate of four percent. Interest credits shall cease upon termination of employment if the member is not a vested former member. Otherwise, interest credits shall cease upon retirement;

(6) A vested former member or a former member who is not vested may request a refund of his or her contributions and interest credited thereon. If such member is married at the time of such request, such request shall not be processed without consent from the spouse. Such member is not eligible to request a refund if such member's retirement benefit is subject to a division of benefit order pursuant to section 104.1051. Such refund shall be paid by the system after ninety days from the date of termination of employment or the request, whichever is later, and shall include all contributions made to any retirement plan administered by the system and interest credited thereon. A vested former member may not request a refund after such member becomes eligible for normal retirement. A vested former member or a former member who is not vested who receives a refund shall forfeit all the member's credited service and future rights to receive benefits from the system and shall not be eligible to receive any long term disability benefits;

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provided that any member or vested former member receiving long term disability benefits shall not be eligible for a refund. If such member subsequently becomes an employee and works continuously for at least one year, the credited service previously forfeited shall be restored if the member returns to the system the amount previously refunded plus interest at a rate established by the board;

(7) The beneficiary of any member who made contributions shall receive a refund upon the member's death equal to the amount, if any, of such contributions less any retirement benefits received by the member unless an annuity is payable to a survivor or beneficiary as a result of the member's death. In that event, the beneficiary of the survivor or beneficiary who received the annuity shall receive a refund upon the survivor's or beneficiary's death equal to the amount, if any, of the member's contributions less any annuity amounts received by the member and the survivor or beneficiary.

9. The employee contribution rate, the benefits provided under the year 2000 plan to members covered under this section, and any other provision of the year 2000 plan with regard to members covered under this section may be altered, amended, increased, decreased, or repealed, but only with respect to services rendered by the member after the effective date of such alteration, amendment, increase, decrease, or repeal, or, with respect to interest credits, for periods of time after the effective date of such alteration, amendment, increase, decrease, or repeal.

10. For purposes of members covered by this section, the options under section 104.1027 shall be as follows:

Option 1. A retiree's life annuity shall be reduced to a certain percent of the annuity otherwise payable. Such percent shall be eighty-eight and one half percent adjusted as follows: if the retiree's age on the annuity starting date is younger than sixty-seven years, an increase of three-tenths of one percent for each year the retiree's age is younger than age sixty-seven years; and if the beneficiary's age is younger than the retiree's age on the annuity starting date, a decrease of three-tenths of one percent for each year of age difference; and if the retiree's age is younger than the beneficiary's age on the annuity starting date, an increase of three-tenths of one percent for each year of age difference; provided, after all adjustments the option 1 percent cannot exceed ninety-four and one quarter percent. Upon the retiree's death, fifty percent of the retiree's reduced annuity shall be paid to such beneficiary who was the retiree's spouse on the annuity starting date or as otherwise provided by subsection 5 of this section.

Option 2. A retiree's life annuity shall be reduced to a certain percent of the annuity otherwise payable. Such percent shall be eighty-one percent adjusted as follows: if the retiree's age on the annuity starting date is younger than sixty-seven years, an increase of four-tenths of one percent for each year the retiree's age is younger than sixty-seven years; and if the beneficiary's age is younger than the retiree's age on the annuity starting date, a decrease of five-tenths of one percent for each year of age difference; and if the retiree's age is younger than the beneficiary's age on the annuity starting date, an increase of five-tenths of one percent for each year of age difference; provided, after all adjustments the option 2 percent cannot exceed eighty-seven and three quarter percent. Upon the retiree's death one hundred percent of the retiree's reduced annuity shall be paid to such beneficiary who was the retiree's spouse on the annuity starting date or as otherwise provided by subsection 5 of this section.

Option 3. A retiree's life annuity shall be reduced to ninety-three percent of the annuity otherwise payable. If the retiree dies before having received one hundred twenty monthly payments, the reduced annuity shall be continued for the remainder of the one hundred twenty-month period to the retiree's designated beneficiary provided that if there is no beneficiary surviving the retiree, the present value of the remaining annuity payments shall be paid as provided under subsection 3 of section 104.620. If the

beneficiary survives the retiree but dies before receiving the remainder of such one hundred twenty monthly payments, the present value of the remaining annuity payments shall be paid as provided under subsection 3 of section 104.620.

Option 4. A retiree's life annuity shall be reduced to eighty-six percent of the annuity otherwise payable. If the retiree dies before having received one hundred eighty monthly payments, the reduced annuity shall be continued for the remainder of the one hundred eighty-month period to the retiree's designated beneficiary provided that if there is no beneficiary surviving the retiree, the present value of the remaining annuity payments shall be paid as provided under subsection 3 of section 104.620. If the beneficiary survives the retiree but dies before receiving the remainder of such one hundred eighty monthly payments, the present value of the remaining annuity payments shall be paid as provided under subsection 3 of section 104.620.

11. The provisions of subsection 6 of section 104.1024 shall not apply to members covered by this section.

**476.521. ELIGIBILITY REQUIREMENTS FOR PERSONS FIRST BECOMING A JUDGE BEGINNING JANUARY 1, 2011 — CONTRIBUTIONS, RATE, CONTRIBUTIONS BY STATE — CHANGE IN CONTRIBUTION RATE, WHEN — INELIGIBLE FOR OTHER STATE RETIREMENT COMPENSATION, WHEN. — 1.** Notwithstanding any provision of chapter 476 to the contrary, each person who first becomes a judge on or after January 1, 2011, and continues to be a judge may receive benefits as provided in sections 476.445 to 476.688 subject to the provisions of this section.

2. Any person who is at least sixty-seven years of age, has served in this state an aggregate of at least twelve years, continuously or otherwise, as a judge, and ceases to hold office by reason of the expiration of the judge's term, voluntary resignation, or retirement pursuant to the provisions of subsection 2 of section 24 of article V of the Constitution of Missouri may receive benefits as provided in sections 476.515 to 476.565. The twelve-year requirement of this subsection may be fulfilled by service as judge in any of the courts covered, or by service in any combination as judge of such courts, totaling an aggregate of twelve years. Any judge who is at least sixty-seven years of age and who has served less than twelve years and is otherwise qualified under sections 476.515 to 476.565 may retire after reaching age sixty-seven, or thereafter, at a reduced retirement compensation in a sum equal to the proportion of the retirement compensation provided in section 476.530 that his or her period of judicial service bears to twelve years.

3. Any person who is at least sixty-two years of age or older, has served in this state an aggregate of at least twenty years, continuously or otherwise, as a judge, and ceases to hold office by reason of the expiration of the judge's term, voluntary resignation, or retirement pursuant to the provisions of subsection 2 of section 24 of article V of the Constitution of Missouri may receive benefits as provided in sections 476.515 to 476.565. The twenty-year requirement of this subsection may be fulfilled by service as a judge in any of the courts covered, or by service in any combination as judge of such courts, totaling an aggregate of twenty years. Any judge who is at least sixty-two years of age and who has served less than twenty years and is otherwise qualified under sections 476.515 to 476.565 may retire after reaching age sixty-two, at a reduced retirement compensation in a sum equal to the proportion of the retirement compensation provided in section 476.530 that his or her period of judicial service bears to twenty years.

4. All judges under this section required by the provisions of section 26 of article V of the Constitution of Missouri to retire at the age of seventy years shall retire upon reaching that age.

5. The provisions of sections 104.344, 476.524, and 476.690 shall not apply to judges covered by this section.

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6. A judge shall be required to contribute four percent of the judge's compensation to the retirement system, which shall stand to the judge's credit in his or her individual account with the system, together with investment credits thereon, for purposes of funding retirement benefits payable as provided in sections 476.515 to 476.565, subject to the following provisions:

(1) The state of Missouri employer, pursuant to the provisions of 26 U.S.C. section 414(h)(2), shall pick up and pay the contributions that would otherwise be payable by the judge under this section. The contributions so picked up shall be treated as employer contributions for purposes of determining the judge's compensation that is includable in the judge's gross income for federal income tax purposes;

(2) Judge contributions picked up by the employer shall be paid from the same source of funds used for the payment of compensation to a judge. A deduction shall be made from each judge's compensation equal to the amount of the judge's contributions picked up by the employer. This deduction, however, shall not reduce the judge's compensation for purposes of computing benefits under the retirement system pursuant to this chapter;

(3) Judge contributions so picked up shall be credited to a separate account within the judge's individual account so that the amounts contributed pursuant to this section may be distinguished from the amounts contributed on an after tax basis;

(4) The contributions, although designated as employee contributions, are being paid by the employer in lieu of the contributions by the judge. The judge shall not have the option of choosing to receive the contributed amounts directly instead of having them paid by the employer to the retirement system;

(5) Interest shall be credited annually on June 30 based on the value in the account as of July 1 of the immediately preceding year at a rate of four percent. Interest credits shall cease upon retirement of the judge;

(6) A judge whose employment is terminated may request a refund of his or her contributions and interest credited thereon. If such judge is married at the time of such request, such request shall not be processed without consent from the spouse. A judge is not eligible to request a refund if the judge's retirement benefit is subject to a division of benefit order pursuant to section 104.312. Such refund shall be paid by the system after ninety days from the date of termination of employment or the request, whichever is later and shall include all contributions made to any retirement plan administered by the system and interest credited thereon. A judge may not request a refund after such judge becomes eligible for retirement benefits under sections 476.515 to 476.565. A judge who receives a refund shall forfeit all the judge's service and future rights to receive benefits from the system and shall not be eligible to receive any long term disability benefits; provided that any judge or former judge receiving long term disability benefits shall not be eligible for a refund. If such judge subsequently becomes a judge and works continuously for at least one year, the service previously forfeited shall be restored if the judge returns to the system the amount previously refunded plus interest at a rate established by the board;

(7) The beneficiary of any judge who made contributions shall receive a refund upon the judge's death equal to the amount, if any, of such contributions less any retirement benefits received by the judge unless an annuity is payable to a survivor or beneficiary as a result of the judge's death. In that event, the beneficiary of the survivor or beneficiary who received the annuity shall receive a refund upon the survivor's or beneficiary's death equal to the amount, if any, of the judge's contributions less any annuity amounts received by the judge and the survivor or beneficiary.

7. The employee contribution rate, the benefits provided under sections 476.515 to 476.565 to judges covered under this section, and any other provision of sections 476.515 to 476.565 with regard to judges covered under this section may be altered, amended,

increased, decreased, or repealed, but only with respect to services rendered by the judge after the effective date of such alteration, amendment, increase, decrease, or repeal, or, with respect to interest credits, for periods of time after the effective date of such alteration, amendment, increase, decrease, or repeal.

8. Any judge who is receiving retirement compensation under section 476.529 or 476.530 who becomes employed as an employee eligible to participate in the closed plan or in the year 2000 plan under chapter 104, shall not receive such retirement compensation for any calendar month in which the retired judge is so employed. Any judge who is receiving retirement compensation under section 476.529 or section 476.530 who subsequently serves as a judge as defined pursuant to subdivision (4) of subsection 1 of section 476.515 shall not receive such retirement compensation for any calendar month in which the retired judge is serving as a judge; except that upon retirement such judge's annuity shall be recalculated to include any additional service or salary accrued based on the judge's subsequent service. A judge who is receiving compensation under section 476.529 or 476.530 may continue to receive such retirement compensation while serving as a senior judge or senior commissioner and shall receive additional credit and salary for such service pursuant to section 476.682.

**476.529. ALTERNATE COMPUTATION OF RETIREMENT COMPENSATION — OPTIONS, BENEFICIARY DESIGNATION —** 1. In lieu of the retirement compensation provided in section 476.530, a judge employed for the first time on or after January 1, 2011, may elect in the judge's application for retirement whether or not to have such judge's annuity reduced, and designate a beneficiary, as provided by the options set forth in this subsection prior to the judge's annuity starting date:

**Option 1.** A judge's annuity shall be reduced to a certain percent of the annuity otherwise payable. Such percent shall be eighty-eight and one half percent adjusted as follows: if the judge's age on the annuity starting date is younger than sixty-seven years, an increase of three-tenths of one percent for each year the judge's age is younger than age sixty-seven years; and if the beneficiary's age is younger than the judge's age on the annuity starting date, a decrease of three-tenths of one percent for each year of age difference; and if the judge's age is younger than the beneficiary's age on the annuity starting date, an increase of three-tenths of one percent for each year of age difference; provided, after all adjustments the option 1 percent cannot exceed ninety-four and one quarter percent. Upon the judge's death, fifty percent of the judge's reduced annuity shall be paid to such beneficiary who was the judge's spouse on the annuity starting date or as otherwise provided by subsection 5 of this section.

**Option 2.** A judge's life annuity shall be reduced to a certain percent of the annuity otherwise payable. Such percent shall be eighty-one percent adjusted as follows: if the judge's age on the annuity starting date is younger than sixty-seven years, an increase of four-tenths of one percent for each year the judge's age is younger than sixty-seven years; and if the beneficiary's age is younger than the judge's age on the annuity starting date, a decrease of five-tenths of one percent for each year of age difference; and if the judge's age is younger than the beneficiary's age on the annuity starting date, an increase of five-tenths of one percent for each year of age difference; provided, after all adjustments the option 2 percent cannot exceed eighty-seven and three quarter percent. Upon the judge's death one hundred percent of the judge's reduced annuity shall be paid to such beneficiary who was the judge's spouse on the annuity starting date or as otherwise provided by subsection 5 of this section.

**Option 3.** A judge's life annuity shall be reduced to ninety-three percent of the annuity otherwise payable. If the judge dies before having received one hundred twenty monthly payments, the reduced annuity shall be continued for the remainder of the one hundred twenty-month period to the judge's designated beneficiary provided that if there



is no beneficiary surviving the judge, the present value of the remaining annuity payments shall be paid as provided under subsection 4 of section 104.1054 as if the judge was a deceased member under that section. If the beneficiary survives the judge but dies before receiving the remainder of such one hundred twenty monthly payments, the present value of the remaining annuity payments shall be paid as provided under subsection 4 of section 104.1054 for a deceased beneficiary under that section.

Option 4. A judge's life annuity shall be reduced to eighty-six percent of the annuity otherwise payable. If the judge dies before having received one hundred eighty monthly payments, the reduced annuity shall be continued for the remainder of the one hundred eighty-month period to the judge's designated beneficiary provided that if there is no beneficiary surviving the judge, the present value of the remaining annuity payments shall be paid as provided under subsection 4 of section 104.1054 as if the judge was a deceased member under that section. If the beneficiary survives the judge but dies before receiving the remainder of such one hundred eighty monthly payments, the present value of the remaining annuity payments shall be paid as provided under subsection 4 of section 104.1054 for a deceased beneficiary under that section.

2. If a judge is married as of the annuity starting date, the judge's annuity shall be paid under the provisions of either option 1 or option 2 as set forth in subsection 1 of this section, at the judge's choice, with the spouse as the judge's designated beneficiary unless the spouse consents in writing to the judge electing another available form of payment.

3. If a judge has elected at the annuity starting date option 1 or 2 pursuant to this section and if the judge's spouse or eligible former spouse dies after the annuity starting date but before the judge dies, then the judge may cancel the judge's election and return to the unreduced annuity form of payment and annuity amount, effective the first of the month following the date of such spouse's or eligible former spouse's death. If a judge dies prior to notifying the system of the spouse's death, the benefit shall not revert to an unreduced annuity and no retroactive payments shall be made.

4. If a judge designates a spouse as a beneficiary pursuant to this section and subsequently that marriage ends as a result of a dissolution of marriage, such dissolution shall not affect the option election pursuant to this section and the former spouse shall continue to be eligible to receive survivor benefits upon the death of the judge.

5. A judge may make an election under option 1 or 2 after the annuity starting date as described in this section if the judge makes such election within one year from the date of marriage pursuant to any of the following circumstances:

(1) The judge elected to receive a life annuity and was not eligible to elect option 1 or 2 on the annuity starting date; or

(2) The judge's annuity reverted to a normal or early retirement annuity pursuant to subsection 3 of this section, and the judge remarried.

6. A judge may change a judge's election made under this section at any time prior to the system mailing or electronically transferring the first annuity payment to such member.

Approved July 19, 2010

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## HB 2 [SCS HCS HB 2]

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in bold-face type in the above bill is proposed language.

**Establishes the Manufacturing Jobs Act which provides incentives for qualified manufacturing companies and qualified suppliers that create or retain Missouri jobs**

AN ACT to amend chapter 620, RSMo, by adding thereto one new sections relating to job growth, with a contingency clause.

## SECTION

- A. Enacting clause.
- 620.1910. Manufacturing Jobs Act.
- B. Contingency clause.

*Be it enacted by the General Assembly of the state of Missouri, as follows:*

**SECTION A. ENACTING CLAUSE.** — Chapter 620, RSMo, is amended by adding thereto one new section, to be known as sections 620.1910, to read as follows:

**620.1910. MANUFACTURING JOBS ACT. — 1. This section shall be known and may be cited as the "Manufacturing Jobs Act".**

**2. As used in this section, the following terms mean:**

**(1) "Approval", a document submitted by the department to the qualified manufacturing company or qualified supplier that states the benefits that may be provided under this section;**

**(2) "Capital investment", expenditures made by a qualified manufacturing company to retool or reconfigure a manufacturing facility directly related to the manufacturing of a new product or the expansion or modification of the manufacture of an existing product;**

**(3) "County average wage", the same meaning as such term is defined in section 620.1878;**

**(4) "Department", the department of economic development;**

**(5) "Facility", a building or buildings located in Missouri at which the qualified manufacturing company manufactures a product;**

**(6) "Full-time job", a job for which a person is compensated for an average of at least thirty-five hours per week for a twelve-month period, and one for which the qualified manufacturing company or qualified supplier offers health insurance and pays at least fifty percent of such insurance premiums;**

**(7) "NAICS industry classification", the most recent edition of the North American Industry Classification System as prepared by the Executive Office of the President, Office of Management and Budget;**

**(8) "New job", the same meaning as such term is defined in section 620.1878;**

**(9) "New product", a new model or line of a manufactured good that has not been manufactured in Missouri by the qualified manufacturing company at any time prior to the date of the notice of intent, or an existing brand, model, or line of a manufactured good that is redesigned with more than seventy-five percent new exterior body parts and incorporates new powertrain options;**

**(10) "Notice of intent", a form developed by the department, completed by the qualified manufacturing company or qualified supplier and submitted to the department which states the qualified manufacturing company's or qualified supplier's intent to create new jobs or retain current jobs and make additional capital investment, as applicable, and**

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request benefits under this section. The notice of intent shall specify the minimum number of such new or retained jobs and the minimum amount of such capital investment;

(11) "Qualified manufacturing company", a business with a NAICS code of 33611 that:

(a) Manufactures goods at a facility in Missouri;

(b) In the case of the manufacture of a new product, commits to make a capital investment of at least seventy-five thousand dollars per retained job within no more than two years of the date the qualified manufacturing company begins to retain withholding tax under this section, or in the case of the modification or expansion of the manufacture of an existing product, commits to make a capital investment of at least fifty thousand dollars per retained job within no more than two years of the date the qualified manufacturing company begins to retain withholding tax under this section;

(c) Manufactures a new product or has commenced making capital improvements to the facility necessary for the manufacturing of such new product, or modifies or expands the manufacture of an existing product or has commenced making capital improvements to the facility necessary for the modification or expansion of the manufacture of such existing product; and

(d) Continues to meet the requirements of paragraphs (a) to (c) of this subdivision for the withholding period;

(12) "Qualified supplier", a manufacturing company that:

(a) Attests to the department that it derives more than ten percent of the total annual sales of the company from sales to a qualified manufacturing company;

(b) Adds five or more new jobs;

(c) Has an average wage, as defined in section 135.950, for such new jobs that are equal to or exceed the lower of the county average wage for Missouri as determined by the department using NAICS industry classifications, but not lower than sixty percent of the statewide average wage; and

(d) Provides health insurance for all full-time jobs and pays at least fifty percent of the premiums of such insurance;

(13) "Retained job", the number of full-time jobs of persons employed by the qualified manufacturing company located at the facility that existed as of the last working day of the month immediately preceding the month in which notice of intent is submitted;

(14) "Statewide average wage", an amount equal to the quotient of the sum of the total gross wages paid for the corresponding four calendar quarters divided by the average annual employment for such four calendar quarters, which shall be computed using the Quarterly Census of Employment and Wages Data for All Private Ownership Businesses in Missouri, as published by the Bureau of Labor Statistics of the United States Department of Labor;

(15) "Withholding period", the seven- or ten-year period in which a qualified manufacturing company may receive benefits under this section;

(16) "Withholding tax", the same meaning as such term is defined in section 620.1878.

3. The department shall respond within thirty days to a qualified manufacturing company or a qualified supplier who provides a notice of intent with either an approval or a rejection of the notice of intent. Failure to respond on behalf of the department shall result in the notice of intent being deemed an approval for the purposes of this section.

4. A qualified manufacturing company that manufactures a new product may, upon the department's approval of a notice of intent and the execution of an agreement that meets the requirements of subsection 9 of this section, but no earlier than January 1, 2012, retain one hundred percent of the withholding tax from full-time jobs at the facility for a period of ten years. A qualified manufacturing company that modifies or expands the

manufacture of an existing product may, upon the department's approval of a notice of intent and the execution of an agreement that meets the requirements of subsection 9 of this section, but no earlier than January 1, 2012, retain fifty percent of the withholding tax from full-time jobs at the facility for a period of seven years. Except as otherwise allowed under subsection 7 of this section, the commencement of the withholding period may be delayed by no more than twenty-four months after execution of the agreement at the option of the qualified manufacturing company. Such qualified manufacturing company shall be eligible for participation in the Missouri quality jobs program in sections 620.1875 to 620.1890 for any new jobs for which it does not retain withholding tax under this section, provided all qualifications for such program are met.

5. A qualified supplier may, upon approval of a notice of intent by the department, retain all withholding tax from new jobs for a period of three years from the date of approval of the notice of intent or for a period of five years if the supplier pays wages for the new jobs equal to or greater than one hundred twenty percent of county average wage. Notwithstanding any other provision of law to the contrary, a qualified supplier that is awarded benefits under this section shall not receive any tax credit or exemption or be entitled to retain withholding under sections 100.700 to 100.850, sections 135.100 to 135.150, sections 135.200 to 135.286, section 135.535, sections 135.900 to 135.906, sections 135.950 to 135.970, or section 620.1881 for the same jobs.

6. Notwithstanding any other provision of law to the contrary, the maximum amount of withholding tax that may be retained by any one qualified manufacturing company under this section shall not exceed ten million dollars per calendar year. The aggregate amount of withholding tax that may be retained by all qualified manufacturing companies under this section shall not exceed fifteen million dollars per calendar year.

7. Notwithstanding any other provision of law to the contrary, any qualified manufacturing company that is awarded benefits under this section shall not simultaneously receive tax credits or exemptions under sections 100.700 to 100.850, sections 135.100 to 135.150, sections 135.200 to 135.286, section 135.535, or sections 135.900 to 135.906 for the jobs created or retained or capital improvement which qualified for benefits under this section. The benefits available to the qualified manufacturing company under any other state programs for which the qualified manufacturing company is eligible and which utilize withholding tax from the jobs at the facility shall first be credited to the other state program before the applicable withholding period for benefits provided under this section shall begin. These other state programs include, but are not limited to, the new jobs training program under sections 178.892 to 178.896, the job retention program under sections 178.760 to 178.764, the real property tax increment allocation redevelopment act under sections 99.800 to 99.865, or the Missouri downtown and rural economic stimulus act under sections 99.915 to 99.980. If any qualified manufacturing company also participates in the new jobs training program in sections 178.892 to 178.896, such qualified manufacturing company shall not retain any withholding tax that has already been allocated for use in the new jobs training program. Any qualified manufacturing company or qualified supplier that is awarded benefits under this program and knowingly hires individuals who are not allowed to work legally in the United States shall immediately forfeit such benefits and shall repay the state an amount equal to any withholding taxes already retained. Subsection 5 of section 285.530 shall not apply to qualified manufacturing companies or qualified suppliers which are awarded benefits under this program.

8. The department may promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028.

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This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly under chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after the effective date of this section shall be invalid and void.

9. Within six months of completion of a notice of intent required under this section, the qualified manufacturing company shall enter into an agreement with the department that memorializes the content of the notice of intent, the requirements of this section, and the consequences for failing to meet such requirements, which shall include the following:

(1) If the amount of capital investment made by the qualified manufacturing company is not made within the two-year period provided for such investment, the qualified manufacturing company shall immediately cease retaining any withholding tax with respect to jobs at the facility and it shall forfeit all rights to retain withholding tax for the remainder of the withholding period. In addition, the qualified manufacturing company shall repay any amounts of withholding tax retained plus interest of five percent per annum. However, in the event that such capital investment shortfall is due to economic conditions beyond the control of the qualified manufacturing company, the director may, at the qualified manufacturing company's request, suspend rather than terminate its privilege to retain withholding tax under this section for up to three years. Any such suspension shall extend the withholding period by the same amount of time. No more than one such suspension shall be granted to a qualified manufacturing company;

(2) If the qualified manufacturing company discontinues the manufacturing of the new product and does not replace it with a subsequent or additional new product manufactured at the facility at any time during the withholding period, the qualified manufacturing company shall immediately cease retaining any withholding tax with respect to jobs at that facility and it shall forfeit all rights to retain withholding tax for the remainder of the withholding period.

10. Prior to March first each year, the department shall provide a report to the general assembly including the names of participating qualified manufacturing companies or qualified suppliers, location of such companies or suppliers, the annual amount of benefits provided, the estimated net state fiscal impact including direct and indirect new state taxes derived, and the number of new jobs created or jobs retained.

11. Under section 23.253 of the Missouri sunset act:

(1) The provisions of the new program authorized under this section shall automatically sunset six years after the effective date of this section unless reauthorized by an act of the general assembly; and

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset twelve years after the effective date of the reauthorization of this section; and

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset.

**SECTION B. CONTINGENCY CLAUSE.** — Because of the governor's authority under the provisions of Section IV, Article 8 of the Missouri Constitution to specifically designate matters to be considered in an extraordinary session of the general assembly and the inextricable nature of the matters designated in the governor's proclamation for this first extraordinary session, section A of this act shall not become effective except upon the passage and approval by signature of the governor of the truly agreed and finally passed version of house bill no. 1 as enacted during the first extraordinary session of the second regular session of the ninety-fifth general assembly.

Approved July 15, 2010

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